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# Medical Equipment

# Israel

U.S. DEPARTMENT OF COMMERCE
International Trade Administration

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**Israel**

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The Israeli medical equipment market is projected to grow an average 7 percent annually between 1982 and 1988 to more than $90 million (see table 1). Sales opportunities for American firms are uniquely promising, due both to high regard for U.S. products and to the special free trade relationship developing between the two countries.

The growth in Israeli medical equipment demand in the face of severe economic challenges and tight budget constraints arises from strong public commitment to adequate health care for the entire community. The particular pressures and stress of daily life in Israel have produced a highly health-conscious society, spurring the Government to continually upgrade its facilities and many private sector hospitals to broaden the scope and increase the level of their services. As these private institutions become general hospital facilities, higher levels of sophistication are being sought in patient-care, diagnostic, and monitoring equipment.

A high incidence in Israel of malignant neoplasms, cerebrovascular diseases, myocardial infarctions, and nephritic conditions creates high levels of demand for such items as cardiac output analyzers and intensive care systems, EEG and EMG devices and PET scanners, colposcopes and mass X-ray screening units, ultrasonic and NMR scanners, and CAPD dialysis equipment. In a country exposed to the effects of war as well as other hazardous conditions, strong demand is also expected for orthopedic and rehabilitation equipment. Another product area of expanding interest as a means for early warning and stress management is that of biofeedback devices, both for hospital/clinic use and, in portable form, for use by the layperson under guidance of a physician.

*Table 1.—Israel: The market for medical equipment, 1981-82 and 1988*

(in millions of U.S. dollars)

| | 1981 | 1982 | Projected 1988 |
|---|---|---|---|
| Medical/surgical, electromedical, diagnostic, ophthalmic apparatus (90.17) | | | |
| Production | 24.0 | 26.6 | 39 |
| Imports | 21.3 | 27.1 | 33 |
| Exports | 19.2 | 18.5 | 25 |
| Total | 26.1 | 35.2 | 47 |
| Mechanotherapy and respiratory appliances (90.18) | | | |
| Production | 2.1 | 2.0 | 3 |
| Imports | 1.4 | 2.6 | 4 |
| Exports | 1.3 | .1 | 1 |
| Total | 2.2 | 4.5 | 6 |
| Orthopedic appliances, prostheses, hearing aids, pacemakers, etc. (90.19) | | | |
| Production | 1.2 | 1.9 | 5 |
| Imports | 4.1 | 5.0 | 7 |
| Exports | 0.6 | 0.4 | 1 |
| Total | 4.7 | 6.5 | 11 |
| X-ray apparatus (90.20) | | | |
| Production | 70.5 | 74.9 | 94 |
| Imports | 4.7 | 7.1 | 8 |
| Exports | 53.1 | 69.8 | 75 |
| Total | 22.1 | 12.2 | 27 |
| Total market | | | |
| Production | 97.8 | 105.4 | 141 |
| Imports | 31.5 | 41.8 | 52 |
| Exports | 74.2 | 88.8 | 102 |
| Total | 55.1 | 58.4 | 91 |

Source: Israeli Customs Authority, Ministry of Health, trade associations, manufacturers, distributors.

## Competitive Assessment

Israel's impressive medical equipment industry should continue to gain strength, leading to the inevitable decline of the import market. Nevertheless, imports are expected to account for 58 percent of consumption in 1988, coming primarily from U.S., German, U.K., and Japanese firms (see table 2). Some imports are channeled into reexport. As much as 20-24 percent of electronic equipment exports, for example, are thought to involve imported goods.

**Domestic producers.**—About 50 manufacturers comprise the Israeli medical equipment industry. Most local firms are small, and some are merely assemblers or relabellers of imported equipment. Product coverage is reasonably wide, however, and suppliers are making themselves felt in the local markets for most types of equipment. The largest firms in an industry employing more than 9,000 include: Elscint Ltd. (diagnostic imaging systems); Amcor Ltd. (air ionizing systems); Teva Group (sutures); Elta Electronics (defibrillators, cardiac monitors, pacemakers); Israeli Institute for Biological Research (biotechnical and biofermentation supplies); Nuclear Research Center (RIA systems, radiometric devices, nuclear medical equipment, laser medical instrumentation); Travenol Laboratories (perinatal products hospital instrumentation, artificial kidneys, heart-lung machines, etc.); Mennen Medical Ltd. (patient monitoring instrumentation and systems for critical and intensive care units); Ramim Engineering Work Ltd. (hospital furniture and orthopedic bedding); and Laser Industries (surgical and ophthalmological lasers). Elscint, as a world leader in diagnostic imaging, sold 90 percent of its 1982 production abroad, while Laser Industries exported 98 percent of its surgical lasers.

Nearly all domestic firms are wholly owned by private or public sector persons or organizations. Two U.S. subsidiaries, Travenol Laboratories and Mennen Medical Ltd. (owned by Mennen Greatbach), represent the only exceptions. Israeli Government ownership is found in several research-oriented suppliers such as Nuclear Research Center's Radiochemistry Division, Elta Electronics (part of the Government-run Israel Aircraft Industries), and the Israel Institute for Biological Research.

The most rapid expansion in domestic production is forecast in orthopedic and prosthetic appliances and rehabilitation aids, where a projected average annual growth rate of 17 percent could give local manufacturers a 38-percent market share in 1988. Strong growth is also predicted for the electromedical portion of Israeli industry, where the local share of domestic consumption could range from 30 to 44 percent by 1988.

**U.S. suppliers.**—At least 60 U.S. firms are now active in the Israeli marketplace, where they have established strong sales positions in every major equipment category (see table 3) and account for one third of imports, the largest share. More than 70 percent of projected growth in U.S. sales volume by 1988 is expected in electromedical equipment and pharmaceutical goods. The standing enjoyed by American equipment because of its advance technology, reliable performance, quality construction, and simplicity of use, however, provides the base for forecasting increased market shares as well in orthopedic and prosthetic appliances, X-ray apparatus, wheelchairs, medical furniture, and spectacles. Some Israeli end users perceive a special opportunity for American expertise and resourcefulness in developing the burgeoning market for orthopedic and prosthetic devices and handicapped aids, where it is thought that dynamic marketing could increase the U.S. role beyond projected levels.

**Third-country suppliers.**—Sales of medical equipment by third-country companies totaled $40

*Table 2.—Israel: Imports of medical equipment by country of origin, 1981-82 and 1988*

(in millions of U.S. dollars)

| | 1981 | 1982 | Projected 1988 |
|---|---|---|---|
| Medical/surgical, electromedical, diagnostic, ophthalmic apparatus (90.17) | | | |
| United States | 8.04 | 11.10 | 15.0 |
| Germany | 4.19 | 4.61 | |
| United Kingdom | 1.84 | 2.53 | |
| Japan | 1.24 | 1.71 | |
| Others | 6.03 | 7.18 | |
| Total | 21.34 | 27.13 | 33.0 |
| Mechanotherapy and respiratory appliances (90.18) | | | |
| United States | .35 | .55 | .9 |
| France | .35 | .25 | |
| United Kingdom | .27 | .60 | |
| Germany | .14 | .48 | |
| Others | .35 | .70 | |
| Total | 1.46 | 2.58 | 4.3 |
| Orthopedic, prosthetic appliances (90.19) | | | |
| United States | 1.03 | 1.16 | 1.7 |
| Netherlands | .79 | .69 | |
| United Kingdom | .59 | .54 | |
| Germany | .56 | .56 | |
| Others | 1.10 | 2.04 | |
| Total | 4.07 | 4.99 | 6.6 |
| X-ray apparatus (90.20) | | | |
| United States | 1.16 | 1.51 | 1.8 |
| Germany | 1.91 | 3.80 | |
| Netherlands | .70 | .67 | |
| France | .39 | .35 | |
| Others | .57 | .80 | |
| Total | 4.73 | 7.13 | 8.0 |
| Invalid carriages (87.11-.12) | | | |
| United States | .12 | .09 | .2 |
| Japan | .24 | .28 | |
| Italy | .24 | .36 | |
| Taiwan | .15 | .14 | |
| Others | .60 | .58 | |
| Total | 1.35 | 1.45 | 1.8 |
| Medical furniture and mattress supports (94.02-.04) | | | |
| United States | .28 | .51 | .6 |
| Germany | .28 | .38 | |
| Italy | .19 | .29 | |
| Japan | .18 | .19 | |
| Others | .37 | .20 | |
| Total | 1.30 | 1.57 | 1.8 |
| Spectacles and spectacle frames (90.03-.04) | | | |
| United States | .13 | .33 | .6 |
| Italy | .57 | 1.01 | |
| Germany | .56 | .77 | |
| Austria | .17 | .28 | |
| Others | .80 | 1.20 | |
| Total | 2.23 | 3.59 | 4.3 |
| Pharmaceutical goods, other than medicaments (bandages, wadding, and other medical supplies) (30.04-.05) | | | |
| United States | 1.05 | 2.83 | 4.0 |
| Germany | .81 | 1.18 | |
| United Kingdom | .80 | .92 | |
| Switzerland | .24 | .20 | |
| Others | .91 | 1.16 | |
| Total | 3.81 | 6.29 | 9.8 |
| Laboratory instruments including clinical laboratory instruments (90.25) | | | |
| United States | 1.33 | 1.50 | 1.8 |
| Germany | .63 | .60 | |
| Switzerland | .31 | .44 | |
| United Kingdom | .15 | .24 | |
| Others | .34 | .48 | |
| Total | 2.76 | 3.26 | 4.4 |
| (in part) Photographic plates and film in the flat, including for X-ray use (37.01) | | | |
| United States | .29 | .24 | .3 |
| Netherlands | .95 | .07 | |
| Belgium | .94 | .93 | |
| Germany | .28 | .31 | |
| Others | .06 | .23 | |
| Total | 2.52 | 1.78 | 3.0 |
| Combined total | | | |
| United States | 13.78 | 19.82 | 26.9 |
| Germany | 9.36 | 12.69 | |
| United Kingdom | 3.65 | 4.83 | |
| Japan | 1.66 | 2.18 | |
| Others | 17.12 | 20.25 | |
| Total | 45.57 | 59.77 | 77.0 |

Note: All figures include parts and accessories.
Source: Israeli Customs Authority.

*Table 3.—Israel: Sales outlook for specific U.S.-made medical equipment and major competitors, 1984-88*

| Items | Current level | U.S. sales outlook | Major competition | |
|---|---|---|---|---|
| | | | Country | Company |
| **Cardiology equipment** | | | | |
| Cardiac output analyzers | High | High | United States | Cardiac Recorders |
| | | | Israel | C.O.M. |
| | | | | Elta |
| Defibrillators | Medium | Good | Germany | Siemens |
| | | | | Hellige |
| | | | United Kingdom | Cardiac Recorders |
| | | | Germany | Bosch |
| Central station intensive-care systems | High | High | Israel | Elta |
| | | | | Mennen |
| | | | | C.O.M. |
| | | | Netherlands | Pie Data |
| | | | Germany | Dragerwerk |
| Bedside intensive-care units | High | High | Israel | C.O M. |
| | | | | Elta |
| | | | | Mennen |
| | | | Germany | Siemens |
| | | | Germany | Nicolet |
| Electrocardiographs | Medium | Good | United Kingdom | Cardiac Recorders |
| | | | Israel | C.O.M. |
| | | | Germany | Siemens |
| | | | | Bosch |
| | | | | Flow Labs |
| ECG recorder/monitors | Medium | Good | Israel | C.O.M. |
| | | | | Medix |
| | | | United Kingdom | Cardiac Recorders |
| | | | Israel | Mennen |
| ECG software | Medium | Fair | Israel | Central Software |
| | | | | Eddy Levy |
| | | | | Yael Software |
| | | | | Creative Output |
| Catheterization equipment | High | Good | Israel | Mennen |
| | | | Germany | Siemens |
| | | | | Godart-Statham |
| | | | United States | Hewlett-Packard |
| **Pulmonary apparatus** | | | | |
| Auto-testing systems | Medium | Fair | Israel | Medix |
| | | | | Silbermann |
| | | | Germany | Dragerwerk |
| | | | United Kingdom | Vickers Medical |
| Digital spirometers | Medium | Good | Germany | Jager |
| | | | Switzerland | Fenyves & Gut |
| | | | Japan | Chest |
| | | | United Kingdom | Vickers Medical |
| Oxygen analyzers | High | Good | Denmark | Simonsen & Weel |
| | | | United States | Ohio Medical |
| | | | Germany | Dragerwerk |
| Cardiopulmonary instrumentation | Medium | Good | United States | Cardio Imaging |
| | | | Israel | Travenol Labs |
| | | | | Medix |
| | | | Netherlands | Godart |
| | | | Japan | Sharp Industrial |
| **Neurological equipment** | | | | |
| Echoencephalographs | Medium | Good | Germany | Hellige |
| | | | | Siemens |
| | | | United Kingdom | Medelec |
| | | | Japan | San-Ei |
| Electroencephalographs | High | High | Denmark | DISA |
| | | | Germany | Hellige |
| | | | | Nicolet |
| | | | | Siemens |

*Table 3.—Israel: Sales outlook for specific U.S.-made medical equipment and major competitors, 1984-88 (continued)*

| Items | Current level | U.S. sales outlook | Major competition | |
|---|---|---|---|---|
| | | | Country | Company |
| Electromyographs | High | High | Germany | Schwartzer |
| | | | | Siemens |
| | | | United Kingdom | Devices |
| | | | Denmark | DISA |
| Positive emission tomography scanners | High | High | Israel | Elscint |
| | | | United States | Illinois Imaging |
| | | | | Picker |
| | | | United Kingdom | Nuclear Enterprises |
| **Ophthalmological equipment** | | | | |
| Ophthalmoscopes | Medium | Good | Switzerland | Wild-Heerburg |
| | | | Germany | Heine |
| | | | | Bausch & Lomb |
| | | | Japan | Olympus |
| | | | | Kaijo Denki |
| Laser photocoagulators | High | High | Israel | Laser Industries |
| | | | | Nuclear Research |
| | | | | Medical Lasers |
| Paramedic refractometers | Medium | Fair | Italy | Optikon |
| | | | Germany | Wisap |
| | | | | Erbe |
| VEP equipment | High | High | Israel | SRD Instrumentation |
| | | | Germany | Schreiber |
| | | | Italy | Optikon |
| **Pediatric equipment** | | | | |
| Infant intensive-care incubators | High | Good | Israel | Tuttnauer |
| | | | | Levy |
| | | | Germany | Dragerwerk |
| | | | | Heraeus |
| | | | | Julabo |
| | | | Italy | Colussi |
| Intermittent positive pressure resuscitation systems | Medium | High | Germany | Corometrics |
| | | | | Dragerwerk |
| | | | Switzerland | Bourns |
| | | | United Kingdom | Western Medical |
| Portable incubators | Medium | Good | Israel | Levy |
| | | | Germany | Dragerwerk |
| | | | | Medap |
| | | | Italy | Colussi |
| | | | United Kingdom | Western Medical |
| Tent systems | Medium | Good | Israel | Levy |
| | | | Germany | Siemens |
| | | | | S & V |
| | | | Switzerland | Bourns |
| | | | Israel | Pil Acril |
| Ultrasonic diagnostic units | High | High | United States | Diasonics |
| | | | Israel | C.O.M. |
| | | | Germany | Enraf-Nonius |
| | | | | Siemens |
| | | | United States | Parker Labs |
| **Renal equipment** | | | | |
| CAPD dialysis equipment | High | Good | Israel | Ramot Purotech |
| | | | | Travenol Labs |
| | | | Italy | Dasag |
| | | | France | Rhone-Poulenc |
| | | | Japan | Nipro |
| Regenerating dialyzers | Medium | Good | Germany | Siemens |
| | | | Netherlands | Philips |
| | | | United Kingdom | Vickers Medical |
| Recirculating dialyzers | Medium | Good | United States | Sweden Freezer |
| | | | Japan | Asahi |
| | | | | Senko |
| | | | Germany | Siemens |

*Table 3.—Israel: Sales outlook for specific U.S.-made medical equipment and major competitors, 1984-88 (continued)*

| Items | Current level | U.S. sales outlook | Major competition | |
|---|---|---|---|---|
| | | | Country | Company |
| **Operating room equipment** | High | High | Israel | SRD Instrumentation |
| Electrosurgical units | | | United States | Picker |
| | | | | Birtcher |
| | | | Netherlands | Philips |
| Heart-lung machines | Medium | Good | Israel | Travenol Labs |
| | | | Japan | Tonokura |
| | | | Netherlands | Godart |
| | | | | Mijnhardt |
| Blood flowmeters | Medium | Good | United States | Picker |
| | | | Germany | Bosch |
| | | | United Kingdom | Phoenix |
| Blood pressure monitors | Low | Fair | Israel | Atlas |
| | | | | Medix |
| | | | United States | Burton |
| Laser surgical instruments | High | High | United Kingdom | Dunlop |
| | | | Israel | Nuclear Research |
| | | | | Medical Lasers |
| | | | | Laser Industries |
| | | | | Travenol Labs |
| Microsurgical instruments | High | High | United States | Visitec |
| | | | | Beckman |
| | | | | Pfizer |
| | | | United Kingdom | MSE |
| Cryosurgical instruments | High | High | Germany | Wisap |
| | | | United States | Revco |
| | | | | Wallach |
| | | | | Cryomedics |
| | | | | Frigitronics |
| | | | Japan | Fuji Polymer |
| Catheters | Low | Fair | Israel | Nir-Lat |
| | | | United Kingdom | Abbott Labs |
| | | | | Eschmann |
| | | | Germany | Wilken |
| Suction equipment | Medium | Good | United States | Ohio Medical |
| | | | Italy | Colussi |
| | | | Germany | Aesculap |
| | | | | Wisap |
| Anesthesia equipment | Medium | Good | Germany | Dragerwerk |
| | | | United Kingdom | Gardner |
| | | | United States | Ohio Medical |
| | | | Denmark | Unoplast |
| Surgical pacemakers | High | High | Israel | Elta |
| | | | | Mennen |
| | | | United Kingdom | Coates-Pacesetter |
| | | | | GEC |
| | | | Austria | Reichert |
| Cutaneous stimulators for pain control | High | High | Germany | Wisap |
| | | | | Eschweiler |
| | | | | Erbe |
| | | | | Storz |
| | | | United Kingdom | Spembly Medical |
| Ophthalmic microscopes | Medium | Good | Switzerland | Wild-Heerburg |
| | | | Germany | Leitz |
| | | | | Zeiss |
| | | | United Kingdom | Pye-Unicam |
| Skin graft devices | High | High | United Kingdom | Straumann |
| | | | | Keymed |
| | | | Germany | Erbe |
| | | | | Medicon |
| | | | | Storz |

*Table 3.—Israel: Sales outlook for specific U.S.-made medical equipment and major competitors, 1984-88 (continued)*

| Items | Current level | U.S. sales outlook | Major competition | |
|---|---|---|---|---|
| | | | Country | Company |
| **General hospital equipment** | | | | |
| Gamma scintillation cameras | Medium | Good | Israel | Elscint |
| | | | United States | Picker |
| | | | | Illinois Imaging |
| | | | | Electro-nucleonics |
| | | | | Baird Atomic |
| | | | Japan | Toshiba |
| Ultrasonic scanners | High | High | Israel | Elscint |
| | | | United States | Electro-nucleonics |
| | | | Netherlands | Philips Medical |
| Central station patient monitors | High | High | Israel | Mennen |
| | | | | Elta |
| | | | | C.O.M. |
| | | | Netherlands | Pie Data |
| Bedside patient monitors | High | High | Germany | Siemens |
| | | | Israel | Mennen |
| | | | | Elta |
| | | | | C.O.M. |
| | | | Germany | Siemens |
| | | | | Nicolet |
| Electronic stethoscopes | Medium | Good | United Kingdom | Lingard |
| | | | | Light Labs |
| | | | Germany | Erbe |
| | | | | Medicon |
| Portable resuscitator | Medium | Good | Germany | Dragerwerk |
| | | | | Medap |
| | | | Italy | Colussi |
| | | | Israel | Levy |
| | | | United Kingdom | Western Medical |
| Oxygen flowmeters | Medium | Fair | United Kingdom | British Oxygen |
| | | | Germany | Schott Gerate |
| | | | | Nacon |
| | | | | Braun |
| Environmental tents | Medium | Good | Israel | Levy |
| | | | Germany | Siemens |
| | | | | S & V |
| | | | Switzerland | Bourns |
| | | | Israel | Pil Acril |
| Computers for patient monitoring systems | Medium | Good | Israel | Elbit |
| | | | | Elta |
| | | | United States | DEC |
| | | | | Hewlett-Packard |
| | | | | IBM |
| | | | Japan | NEC |
| NMR scanners | High | High | United States | Picker |
| | | | | Illinois Imaging |
| | | | Netherlands | Philips |
| | | | Germany | Berthold |
| **Clinical laboratory equipment** | | | | |
| Flame photometers | Medium | Good | United States | Accutome |
| | | | | Technicon |
| | | | | Turner |
| | | | | Coleman |
| | | | United Kingdom | EEL |
| U/V spectrophotometers | Medium | Good | Germany | Compur |
| | | | United States | Taylor Instruments |
| | | | | Varian |
| | | | | Perkin-Elmer |
| | | | United Kingdom | Cecil |
| Automated blood cell counters | Medium | Good | United States | Rayco |
| | | | | Corning |
| | | | Netherlands | Vitatron |
| | | | United Kingdom | Coulter |

*Table 3.—Israel: Sales outlook for specific U.S.-made medical equipment and major competitors, 1984-88 (continued)*

| Items | Current level | U.S. sales outlook | Major competition | |
|---|---|---|---|---|
| | | | Country | Company |
| Blood gas analyzers | Medium | Good | United States | Technicon |
| | | | Netherlands | Vitatron |
| | | | | Gould-Godart |
| | | | Denmark | Radiometer |
| | | | Switzerland | AVL |
| Centrifuges | Low | Fair | Germany | Ecco |
| | | | Austria | Clements |
| | | | United Kingdom | Baird & Tatlock |
| Electrophoresis systems | Medium | Good | Japan | Atago |
| | | | Sweden | LKB |
| | | | Belgium | Pleuger |
| Automated sample analyzers | High | High | United States | Technicon |
| | | | | Perkin-Elmer |
| | | | United Kingdom | Searle Diagnostic |
| | | | Netherlands | Vitatron |
| | | | Japan | Machida |
| On-line computer systems for real-time monitoring | High | High | Israel | Elbit |
| | | | | Yagev Computers |
| | | | | Micro-Shev |
| | | | United States | DEC |
| | | | | Hewlett-Packard |
| **Miscellaneous health-care equipment** | | | | |
| X-ray units for mass chest surveys | Medium | Good | Germany | Siemens |
| | | | United Kingdom | GEC |
| | | | United States | Picker |
| | | | France | CGE |
| | | | Netherlands | Philips |
| Colposcopes | High | High | United Kingdom | Genito-Urinary Manufacturing |
| | | | | Seward Medical |
| | | | United States | Miles Labs |
| | | | Germany | Wetzler |
| | | | | Eschweiler |
| | | | United Kingdom | Spembly |
| Disposables (e.g. shave, lumbar puncture, thoracic catheters, dialysers, urethral catheters, myelograms, arterial blood sampling, syringe, basic biopsy) | Medium | Fair | Israel | Elcam |
| | | | | Eftan |
| | | | | ISR Plastic |
| | | | | Miniplast |
| | | | | Salvaplast |
| | | | | Tagum Rubber |
| | | | United States | Precision Dynamics |
| | | | United Kingdom | Owen Mumford |
| **Orthopedic, prosthetic, & handicapped-aid equipment** | | | | |
| Artificial organs | Medium | Good | Israel | Avmedica |
| | | | Italy | Sorin |
| | | | United Kingdom | Camp |
| | | | | Hanger |
| | | | | Steeper |
| Prostheses | High | High | Austria | Raucher |
| | | | United Kingdom | Downs Surgical |
| | | | | Remploy |
| | | | | Camp |
| | | | Germany | Aesculap |
| | | | | Rosenthal |
| Orthopedic appliances | Medium | Good | Israel | Ramin Engineering |
| | | | United States | Richards |
| | | | Sweden | Hendry |
| | | | United Kingdom | Remploy |
| | | | | American Hospital Supply |
| | | | Denmark | Unoplast |

*Table 3.—Israel: Sales outlook for specific U.S.-made medical equipment and major competitors, 1984-88 (continued)*

| Items | Current level | U.S. sales outlook | Major competition | |
|---|---|---|---|---|
| | | | Country | Company |
| Vehicular modifications | Low | Fair | Israel | SAE-Afikim |
| | | | United Kingdom | Downs Surgical |
| | | | Germany | Mecalift |
| | | | France | Revalidation |
| Daily-life devices | High | High | Israel | Ortop |
| | | | United States | Maddock |
| | | | | Thompson |
| | | | | Convaid |
| | | | Germany | Braun |
| | | | | Enraft-Nonius |
| | | | | Jager |
| Physical therapy equipment | Medium | Good | United States | Life Products |
| | | | Germany | Meyra |
| | | | United Kingdom | Dycem |
| | | | Austria | Zumtobel |
| Sensory aids | High | High | Israel | TSR-Gaash |
| | | | United Kingdom | Barclay |
| | | | | Rayner Optical |
| Rehabilitation devices | High | High | Germany | Leisengang |
| | | | Ireland | Keltic |
| | | | United Kingdom | Spembly |
| | | | | Rhodes |
| | | | Germany | Ortopedia |

million in 1982. About 50 German firms — including Siemens, Dragerwerke, Jaeger, Zeiss, Bosch, Eschweiler, Wetzler, and Heine — provide strong competition in key equipment categories. German sales amounting to some 20 percent of imports in 1982 were heaviest in medical/surgical, electromedical, diagnostic, and ophthalmic equipment, and in X-ray apparatus, where they captured a 53-percent share of imports. Rapid growth was also achieved in the expanding mechanotherapy market segment.

*Table 4.—Israel: Health care expenditures in relation to GNP and budget, 1982, 1983, and 1988*

(in billions of U.S. dollars)

| | 1982 | 1983 | Projected 1988 |
|---|---|---|---|
| Public sector | | | |
| Government budget total | 40.34 | 40.91 | 71.7 |
| Budget for health-care | 1.49 | 1.61 | 3.2 |
| Capital expenditures | .33 | .40 | .6 |
| Services | 1.16 | 1.21 | 1.6 |
| Insurance payments | — | — | 1.0 |
| Private sector | | | |
| Estimate of total private expenditures on health care* | 1.72 | 2.11 | 3.6 |
| Gross national product | 21.26 | 21.76 | 38.9 |
| % of government health care and social security budget to GNP | 7.0 | 7.4 | 8.3 |
| % of total public and private health care expenditures to GNP | 15.1 | 17.1 | 17.4 |
| Per capita GNP (in dollars) | $5,315 | $5,440 | $8,390 |
| Per capita private health care* expenditures (in dollars) | $430 | $525 | $885 |

1988 estimate uses 1983 dollar values so as to provide a referable comparison.
* Includes a proportion of sick fund inputs.

Close to 40 British firms have made their mark in the Israeli marketplace, particularly in medical/surgical, electromedical, diagnostic, and ophthalmic equipment and pharmaceuticals. Japanese firms such as Olympus, Kaijo Denki, San-Ei, Miles Sankyo, and Tonokura are most active in the medical/surgical, invalid carriage, and medical-furniture segments of the market.

While the overall market share of third-country suppliers is forecast to decline by 1988, competition from the European Community (EC) is expected to be vigorous in mechanotherapy equipment, medical disposables, instrumentation, and X-ray films and plates.

## Health Care System

Israel pursues its goal of adequate curative and preventive health service for all citizens through a complementary mix of public and private sector expenditure and service provision. In 1983, Israelis spent $3.7 billion on health care, 43 percent of this through the national budget (see table 4). The sources for these funds illustrate the diversity in the health care system: 26 percent from the national Government, 42 percent from the four nonprofit insurance (sick fund) organizations, 2 percent from local authorities, 13 percent from voluntary organizations, and 17 percent from private and other inputs. Growth in both public and private sectors is expected to boost health care expenditures to about $6.8 billion in 1988. During this same period, expenditures for medical equipment and supplies are projected to rise at an average annual rate of 8 percent, to reach $133 million (see table 5).

*Table 5.—Israel: Estimated expenditures for medical equipment by major user sectors, 1982 and 1988*

(in millions of U.S. dollars)

| | 1982 Equipment & Supplies | Projected 1988* Equipment & Supplies |
|---|---|---|
| General hospitals | 38.64 | 61.3 |
| University medical centers | 12.60 | 22.7 |
| Specialized medical institutions | 9.24 | 18.7 |
| Military hospitals | 3.36 | 4.0 |
| Clinical laboratories | 10.92 | 14.7 |
| Mobile and permanent health care/ population screening centers | 2.52 | 2.7 |
| Physicians (private practitioners) | 6.72 | 9.3 |
| Total | 84.00 | 133.4 |

* Using 1982 values.

Source: Ministry of Health, Central Bureau of Statistics.

The Ministry of Health controls the public sector role in health care delivery, implementing national health legislation, licensing health professionals, and providing medical services through a public hospital system. Government policy emphasizes filling the gaps in services provided through nongovernmental institutions and accelerating health care program development whenever economically feasible. Almost all public health services are administered through the 34-hospital system by Government-contract physicians. The only exceptions are military field hospital units, mobile multiphasing testing units, a few remote day clinic facilities, and three municipal hospitals in Tel Aviv.

Private sector service providers include the four sick fund organizations; voluntary groups such as Hadassah, Malben, and the Red Shield of David (equivalent to the Red Cross in other countries); mission and other small nonprofit agencies; and private profitmaking institutions. Private sector facilities range from general hospitals to nursing homes to an extensive network of clinics.

The most important single private provider is Kupat Holim Histradrut, the powerful sick fund group of the General Federation of Labor, which insures 83 percent of all Israelis covered by health insurance. Kupat Holim operates 9 general hospitals, 6 chronic care facilities (3 geriatric and 3 mental), 16 convalescent homes, and 1,180 day clinics. The other three small sick fund organizations — Maccabi, Leumit, and Meuhedet — also offer medical care and treatment for their members. More than 95 percent of Israel's 4 million inhabitants are insured by these four groups. Among the remaining small percentage of the population, many are now subscribing to small private schemes promoted by general insurance companies that will pay for medical services.

Israel's hospital network grew from 66 in 1948 to 145 in 1982. Of these, 26 percent are public facilities, 38 percent profitmaking, and the remaining 37 percent private nonprofit. Together, they served 659,000 Israelis, or 16 percent of the population, during 1982.

The largest hospitals are those run by the public sector, including the 1,127-bed Sheba Medical Center and four others with more than 550 beds. By 1983, about 40 percent of the total 27,000 hospital beds were under the administration of the Ministry of Health. Some of the public facilities date from the pre-independence era and require regular attention to renovation and upgrading. Several hospital projects are currently under consideration:

| | |
|---|---|
| • B'nai Brak Hospital | Increase of facilities to 330 beds, and further increase of 135 in phase II |
| • Natanya Hospital | Extension by 50 percent more facilities and new laboratories |
| • Sheba Medical Centre | General upgrade of all facilities |
| • Gaza Hospital | Five modular operating units ($500,000) |
| • Tel Aviv Municipal Hospitals | Reconstruction of old, outmoded facilities |
| • Rambam Hospital | 300 extra beds and related facilities for operating and examination |
| • Sorasky Medical Centre | 20,000 more square meters, with attendant facilities |
| • Beersheva Hospital | Continuing upgrade |
| • Beilenson Institute | Continuing upgrade |

The private hospital system is experiencing considerable change and growth, stimulated partially by public sector constraints. The typical private facility is of medium size (40-200 beds), with trained paramedical and professional staff under contract and a range of impressive diagnostic and patient-care equipment. Two of the most modern and well-equipped private institutions are the Elisha Clinic in Haifa and the Assuta Hospital in Tel Aviv.

Central purchasing departments, assisted by specialized advisory committees, have principal responsibility for purchases of all medical equipment. Physicians play a significant role in recommending the purchase of new equipment and purchasing officers in the larger hospitals also have some discretion to purchase special items directly from agents. Within the smaller private facilities, equipment sales are made through direct contact with the individual hospital, clinic, or physician.

Israel possesses one of the highest ratios of physicians to inhabitants in the world: 1 to 515 in the public sector alone. This ratio rises to 1 to 338 when

the numbers of doctors in both sectors are taken into account. One contributing factor is found in the high training levels in Israeli medical schools at Hebrew, Technion, Tel Aviv, Bar Ilan, Haifa, and Ben Gurion universities, where 3,461 degrees were awarded in 1982.

Nearly 65 percent of Israeli physicians practice in the major urban areas of the Tel Aviv, Central, and Jerusalem districts. In 1983, the public sector employed 8,034 physicians, or 68 percent. Physicians working in public hospitals may also practice privately for a limited number of hours per week; those who work in the nonprofit Kupat Holim Histradrut facilities are not permitted to have their own practices. Group practice has begun to develop successfully where the physicians, among themselves, offer a range of specializations, although the private group health plans are only in their infancy. A 1983 estimate of physician specialization, based on figures of the Israeli Medical Association, indicates that about 23 percent of all doctors specialize in internal medicine and 19 percent practice general surgery.

Nursing staff in 1983 totaled 18,949, with 55 percent classified as registered nurses. Other medical staff, including X-ray technicians, pharmacists, social workers, physiotherapists, occupational therapists, dieticians, laboratory technicians, speech therapists, and psychologists, numbered 5,477.

## Market Practices

The principal channels for distribution of imported medical equipment are exclusive importers and domestic manufacturers. A number of Israeli import firms that specialize in medical equipment are accustomed to concluding exclusive distributor agreements with foreign manufacturers. American suppliers should visit the market to familiarize themselves with the resources, sales philosophies, and range of experience of the various companies to identify those most appropriate to their particular requirements. Domestic manufacturers of nonconflicting equipment may serve as local representatives for overseas vendors, offering an existing sales capability of demonstrated effectiveness and local acceptability.

Direct selling without the use of a local agent is not generally attempted in Israel, except in the field of custom-built prosthetics. Suppliers may contact the Israel Medical Association, Kimed-Kibbutz Industries — Medical Equipment Manufacturers Association, Israel-American Chamber of Commerce, or the Manufacturers Association of Israel for guidance.

Quality-conscious local purchasers consider equipment suitability, technological advancement, quality of construction, robustness, ease of operability, reputation of manufacturer, delivery, aftersales support, price, and payment and credit terms. Sales messages and aftersales support literature should be prepared in Hebrew.

The major trade fair in Israel, held most recently in May 1985, is the International Exhibition for Hospital Supply, Medical Technology, Equipment and Aids, which takes place every 2 years and is sponsored by the Israeli Medical Association/Israel Export Institute/Ministry of Industry. Equipment may be exhibited also at a wide range of medical conferences, seminars, symposiums, and exhibitions held frequently on specific topics of limited scope.

## Trade Regulations

Full implementation of the U.S.-Israeli free trade area (FTA) agreement will eliminate customs duties on medical equipment entering Israel. Beginning on September 1, 1985, most American goods are subject to the same duties applicable to products from the EC. (Previously, EC goods were subject to a lower duty as a result of the EC-Israel FTA). American medical goods have fallen within the general rates of duty, which range from zero for pharmaceutical goods, photographic films, invalid carriages, selected orthopedic appliances and pacemakers, and X-ray apparatus to 28 percent for sensitized paper specialized for ultraviolet rays. A Lebanon War tax is imposed on all goods, and a 15-percent value-added tax is applied to almost all products sold in Israel, domestic or imported. Import licenses were required for some medical equipment. Under the U.S.-Israel Free Trade Area, the requirement for most of these products including wheelchairs, hearing aids and pacemakers has been dropped for products from the United States. Granting of the licenses still required depends on both Ministry of Health certification that no equivalent equipment can be procured from domestic sources and on compliance with local standards.

## Technical Requirements

All information in documentation, labels, handbooks, and point-of-sale literature should be expressed in metric terms. Electricity supply is 220 volts, 50 cycles AC.

American standards for safety and performance are highly regarded by both users and the Israeli Institute of Standards. Observing certain Israeli standards for medical equipment, although not mandatory, is advisable from commercial and competitive standpoints.

## Additional Information

The project officer responsible for Country Market Surveys on medical equipment is:

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The Survey summarizes a 114-page research report prepared by Tactical Marketing Limited, London, under contract for the U.S. Department of Commerce, and reflects the opinions and views of interviewees in Israel and not those of the Department of Commerce. The research report gives considerably more detail on all the points touched upon in the Survey, as well as marketing practices, trade regulations, technical standards, and the names and addresses of prospective customers, potential agents and distributors, trade associations, and trade publications.

For a free copy of the newest catalog of Market Research Division reports, which lists all Country Market Surveys and selected International Market Research reports, including the one described above, please write to:

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